



1099 18TH STREET • SUITE 2150 • DENVER, COLORADO 80202 • TELEPHONE: 303-390-0003 • TELECOPIER: 303-390-0177
www.jacksonkelly.com 2016 JUL -1 PM 12:56

June 30, 2016

OFFICE OF GENERAL COUNSEL

Via Fedex Overnight Delivery
Facsimile: 202-219-3923
and Email: kphilbert@fec.gov

Kamau Philbert, Esq.
Office of the General Counsel
Federal Election Commission
999 E Street, NW
Washington, DC 20463

Re: MUR 6658 - Mepco, LLC

Dear Mr. Philbert,

As you are aware, Jackson Kelly PLLC represents Mepco, LLC ("Mepco") with respect to the above-referenced matter under review. A copy of Mepco's Statement of Designation of Counsel has been previously provided. We appreciate the Federal Election Commission ("Commission") allowing Mepco an additional 14-days in which to respond to its June 8, 2016 letter.

I have reviewed the Complaint and the Commission's Factual and Legal Analysis with Mepco's Sr. Vice President of Operations, Brian M. Osborn, PE. As a preliminary matter, it is important to note that in August of 2013 Mepco filed for bankruptcy. In the wake of its subsequent re-organization, none of Mepco's management team who was in place during the months leading up to the 2012 Presidential election are currently employed by Mepco. Although Mr. Osborn was employed by Mepco in a different role during the time relevant to the matters alleged in Complaint, Mepco's corporate re-organization has rendered the factual investigation of this matter difficult.

Nevertheless, Mepco does not dispute that: it purchased signs stating "STOP the WAR on COAL – FIRE OBAMA;" the signs did not contain a disclaimer notice identifying that Mepco paid for the signs or whether a candidate or candidate's committee authorized the communications; and the cost of the expenditure on the signs was not reported to the Commission.

Mr. Osborn confirms that these signs were placed in numerous locations throughout the region by persons other than Mepco. Mepco was unaware that the signs required a disclaimer or that it was required to report the expenditure to the Commission. None of the other signs displayed in the region contained a disclaimer; which contributed to Mepco's understanding that no disclaimer was required. Mepco has not purchased, distributed or displayed these signs in the now several years since the 2012 election (which Mr. Obama won). In addition, Mepco would

1004449004M

Kamau Philbert, Esq.
June 30, 2016
Page 2

like to point out that the Complaint is vague in that it does not specifically identify Mepco as a responsible party nor does it state any specific time or place where Mepco posted any sign.

Given Mepco is in the coal business, it should come as no surprise that it has long advocated for the Federal Government to maintain policies which encourage the production and use of coal. At the time of the 2012 election, Mepco reasonably believed that the signs in question served primarily to advocate for this long held policy position.

Mepco requests that the Commission recognize the mitigating factors set forth above, as well as the small dollar amount of the expenditure versus the likely cost and difficulty of further investigation and prosecution. The display of these signs has long ceased and given that Mepco has now been made aware of the specific requirements of the law, a violation will not occur in the future. As a result, Mepco requests early settlement consideration and would like to explore the terms of a Conciliation Agreement with the Commission. Mepco is certainly willing to agree to cease and desist from any violations of the Federal Election Campaign Act in the future. However, given the facts of this matter, a fine does not appear to be warranted.

Please contact me at 303-390-0351 or via email at jszakhem@jacksonkelly.com with any questions or concerns regarding this matter. I look forward to your response and reaching an amicable settlement of this matter.

Sincerely,



John S. Zakhem

16074460074